

From: [Blend, Jeff](#)
To: [Tina Laidlaw/MO/R8/USEPA/US@EPA](#)
Cc: [Mathieus, George](#); [Suplee, Mike](#)
Subject: RE: Private firm demonstration: Parent level firm versus plant level firm
Date: 10/11/2011 09:35 AM

Fair enough, but let us keep the possibility open (you had talked a month ago about a couple of these bullets that might help us).

We need to be eternal optimists. Kind of like the person who wakes up and buys a lottery ticket every morning, or the DEQ Economist that wakes up and expects George to call him up and say what a great person he is. Long odds, but within the realm of statistical possibility.

Jeff Blend
(406) 841-5233
jblend@mt.gov

Economist and Energy Analyst
Energy and Pollution Prevention Bureau
Montana Dept. of Environmental Quality
1100 N. Last Chance Gulch
P.O. Box 200901
Helena, MT 59620-0901

-----Original Message-----

From: Laidlaw.Tina@epamail.epa.gov [mailto:Laidlaw.Tina@epamail.epa.gov]
Sent: Tuesday, October 11, 2011 8:25 AM
To: Blend, Jeff
Cc: Mathieus, George; Suplee, Mike
Subject: RE: Private firm demonstration: Parent level firm versus plant level firm

Jeff--- unfortunately, I don't think there is going to be a silver bullet for private industry without getting into calculations. But, we should have more details by the end of this week and can use that information to figure out how to proceed.

Tina Laidlaw
USEPA Montana Office
10 West 15th Street, Suite 3200
Helena, MT 59626
406-457-5016

From: "Blend, Jeff" <jblend@mt.gov>
To: Tina Laidlaw/MO/R8/USEPA/US@EPA, "Mathieus, George" <gemathieus@mt.gov>
Cc: "Suplee, Mike" <msuplee@mt.gov>
Date: 10/11/2011 08:16 AM
Subject: RE: Private firm demonstration: Parent level firm versus plant level firm

I apologize, but I am not following your argument so far. I would prefer that we find a silver bullet that makes is very clear that S&W impacts would occur to private businesses without having to get into calculations. For example, LOT would require too much effort..(blah blah), or RO would require 500,000 gallons of brine to be disposed out of state from private firms that creating 56.3 tons of CO2 in truck traffic at a cost of \$36 million.....

Something like that. Unfortunately, I do not enough info to even start coming up with such a solution. Maybe industry can help us, although I will obviously take their info with a critical eye. Can we please try to at least attempt such an approach instead of the 'cluster' that evaluating 80 companies could be in an analysis with few good metrics to go on? I also think it is good to look at the data already collected and see what we can see.

Jeff Blend
(406) 841-5233
jblend@mt.gov

Economist and Energy Analyst
Energy and Pollution Prevention Bureau
Montana Dept. of Environmental Quality
1100 N. Last Chance Gulch
P.O. Box 200901
Helena, MT 59620-0901

-----Original Message-----

From: Laidlaw.Tina@epamail.epa.gov [mailto:Laidlaw.Tina@epamail.epa.gov]
Sent: Wednesday, October 05, 2011 4:00 PM
To: Mathieus, George
Cc: Blend, Jeff; Suplee, Mike
Subject: RE: Private firm demonstration: Parent level firm versus plant level firm

agreed. so.. the idea that providing subsidiary data will result in S&W

impacts for private facilities may not be a viable option. we will continue to ponder our options.

Tina Laidlaw
USEPA Montana Office
10 West 15th Street, Suite 3200
Helena, MT 59626
406-457-5016

From: "Mathieus, George" <gemathieus@mt.gov>
To: Tina Laidlaw/MO/R8/USEPA/US@EPA, "Blend, Jeff"
<jblend@mt.gov>
Cc: "Suplee, Mike" <msuplee@mt.gov>
Date: 10/05/2011 03:56 PM
Subject: RE: Private firm demonstration: Parent level firm
versus
plant level firm

I know that is often the perception, but it is much more complicated than that. It's a violation of the Trade secrets law. Also given the fact that Montana's discovery act does not protect any information. I wouldn't want to give it up either.

-----Original Message-----
From: Laidlaw.Tina@epamail.epa.gov [mailto:Laidlaw.Tina@epamail.epa.gov]

Sent: Monday, October 03, 2011 10:18 AM
To: Blend, Jeff
Cc: Mathieus, George; Suplee, Mike
Subject: Re: Private firm demonstration: Parent level firm versus plant level firm

please keep in mind that much of the problem with using subsidiary data has always related to industry's reluctance to disclose confidential business information.

Tina Laidlaw
USEPA Montana Office
10 West 15th Street, Suite 3200
Helena, MT 59626
406-457-5016

From: "Blend, Jeff" <jblend@mt.gov>
To: Tina Laidlaw/MO/R8/USEPA/US@EPA, "Suplee, Mike"
<msuplee@mt.gov>, "Mathieus, George" <gemathieus@mt.gov>
Date: 10/03/2011 09:53 AM
Subject: Private firm demonstration: Parent level
firm versus
plant
level firm

Tina:

FYI. The 1995 EPA Guidance, while suggesting that we look at parent firms, says to actually use plant (discharger) level data if available when running the private level tests. If not, it talks about estimating plant level revenue from parent company revenues. See below, from the guidance.

<http://water.epa.gov/scitech/swguidance/standards/economics/chaptr3.cfm>
"Since it is the discharger that will have to pay for the wastewater treatment, the financial tests presented in this Workbook use data about the discharger's operations. If the information is not available at the discharger level, it can be estimated from the balance sheets or income statements of the firm that owns or controls the discharger. Estimates can be made in a variety of ways. One commonly used approach is to compare the discharger's sales or revenues to the firm's sales or revenues and apply this ratio to other financial factors. For example, if the discharger is responsible for 20 percent of its firm's revenues, than it is assigned 20 percent of the firm's current assets and current liabilities. In some cases, particularly with manufacturing facilities, the discharger may not sell its production directly, but may ship it to another facility owned by the same firm. In this case, the discharger's share of sales should be calculated by determining the market value of the goods produced by the discharger, using market prices for the year being analyzed."

Jeff Blend
(406) 841-5233
jblend@mt.gov

Economist and Energy Analyst
Energy and Pollution Prevention Bureau
Montana Dept. of Environmental Quality
1100 N. Last Chance Gulch
P.O. Box 200901
Helena, MT 59620-0901

